元亨燃氣
YUANHENG GAS

YUAN HENG GAS HOLDINGS LIMITED
元亨燃氣控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 332)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2015

RESULTS

The Board of Directors (the "Directors") of Yuan Heng Gas Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2015, together with the comparative figures, as follows:

I. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	NOTES	**2015** ***RMB'000***	2014 *RMB'000* (restated) *(note 2)*
Turnover	4	**6,440,317**	9,991,396
Operating costs		**(6,250,090)**	(9,594,785)
Gross profit		**190,227**	396,611
Other income	5	**22,719**	16,781
Other gains and losses	6	**400**	(995)
Distribution and selling expenses		**(26,128)**	(58,805)
Administrative expenses		**(87,700)**	(80,086)
Share of results of associates		**462**	—
Finance costs	7	**(70,562)**	(46,029)
Profit before tax		**29,418**	227,477
Income tax credit (expense)	8	**3,127**	(59,290)
Profit for the year	9	**32,545**	168,187
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation		**(658)**	(1,490)
Total comprehensive income for the year		**31,887**	166,697

	NOTE	**2015**	2014
		RMB'000	*RMB'000*
			(restated)
			(note 2)
Profit for the year attributable to:			
Owners of the Company		**19,251**	129,359
Non-controlling interests		**13,294**	38,828
		32,545	168,187
Total comprehensive income attributable to:			
Owners of the Company		**18,593**	127,869
Non-controlling interests		**13,294**	38,828
		31,887	166,697
Earnings per share *(RMB Cents)*			
— Basic	10	**0.36**	2.44

II. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2015

		At 31 March	
		2015	2014
	NOTE	***RMB'000***	*RMB'000*
			(restated)
			(note 2)
NON-CURRENT ASSETS			
Property, plant and equipment		**882,441**	884,630
Prepaid lease payments		**40,033**	40,860
Goodwill		**56,740**	56,740
Intangible asset		**8,952**	9,345
Interests in associates		**30,462**	30,000
Amount due from a non-controlling equity owner of subsidiaries		**39,222**	36,393
Long-term receivable		**54,359**	75,148
Deferred tax assets		**1,301**	537
Deposits for property, plant and equipment under finance lease		**4,924**	4,969
		1,118,434	1,138,622
CURRENT ASSETS			
Inventories		**45,768**	29,038
Trade and other receivables	11	**1,017,628**	1,935,383
Prepaid lease payments		**1,362**	1,286
Amount due from a non-controlling equity owner of a subsidiary		**1,214**	4,959
Amounts due from related parties		**2,923**	33,808
Tax recoverable		**2,944**	—
Short-term investments		**19,500**	28,500
Pledged bank deposits		**383,405**	263,177
Cash and cash equivalents		**26,064**	321,890
		1,500,808	2,618,041

		At 31 March	
		2015	2014
	NOTE	***RMB'000***	*RMB'000*
			(restated)
			(note 2)
CURRENT LIABILITIES			
Trade and other payables	12	**1,101,324**	2,168,672
Amount due to an associate		**22,310**	338
Amount due to a shareholder		**6,105**	6,155
Tax payable		**52,311**	72,349
Bank borrowings due within one year		**648,895**	758,589
Obligations under finance leases		**5,535**	5,333
		1,836,480	3,011,436
NET CURRENT LIABILITIES		**(335,672)**	(393,395)
TOTAL ASSETS LESS CURRENT LIABILITIES		**782,762**	745,227
CAPITAL AND RESERVES			
Share capital		**443,282**	102,767
Reserves		**129,398**	451,320
Equity attributable to owners of the Company		**572,680**	554,087
Non-controlling interests		**141,802**	130,508
TOTAL EQUITY		**714,482**	684,595
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**15,882**	16,047
Bank borrowings due after one year		**51,000**	37,000
Obligations under finance leases		**1,398**	7,585
		68,280	60,632
		782,762	745,227

III. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Yuan Heng Gas Holdings Limited (the "Company"), together with it subsidiaries, collectively referred to as the "Group") is a public limited company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section in the annual report.

Upon the completion of the mandatory unconditional cash offer on 3 January 2011, Frontier Global Group Limited ("Frontier Global") which is ultimately controlled by Mr. Wang Jianqing ("Mr. Wang"), acquired 71.5% of the aggregate issued share capital of the Company, and Frontier Global and Champion Golden Limited then became the immediate holding company and ultimate holding company of the Company, respectively. Both Frontier Global and Champion Golden Limited are limited liability companies incorporated in the British Virgin Islands (the "BVI").

Upon the completion of the acquisition of a subsidiary and the issue of new shares on 16 May 2014 as set out in note 2 (the "Acquisition"), the immediate holding company and ultimate holding company of the Company were changed to Champion Ever Limited, which a limited liability company incorporated in the BVI and is wholly-owned by Mr. Wang.

The Group is principally engaged in the entering into oil and gas sales and purchase contracts with a number of counterparties. Starting from 16 May 2014, upon the completion of the Acquisition, the Group is also engaged in the production and sale of liquefied natural gas ("LNG"), operating vehicle gas refueling station, sales of piped gas, LNG transportation and construction of gas pipeline infrastructure.

Upon the completion of the Acquisition, the functional currency of the Company has changed from Hong Kong dollars ("HKD") to Renminbi ("RMB") as the primary economic environment of the Company changed to a People's Republic of China (the "PRC") business environment. Following the change of functional currency of the Company, the Company changed the presentation currency of its consolidated financial statements from HKD to RMB. The directors of the Company are of the opinion that this could simplify the financial reporting process and it could provide users with more comparable information with other companies in similar industries. Comparative figures have been restated in RMB.

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Acquisition of Union Honor Limited ("UHL") and the adoption of merger accounting

On 28 October 2013, the Group entered into an agreement with Ying Hui Limited ("Vendor") and Vendor's shareholders, pursuant to which the Group conditionally agreed to acquire and the Vendor conditionally agreed to dispose of the sales shares, representing the entire issued share of UHL, a wholly-owned subsidiary of the Vendor, at the total consideration of HKD2,861,775,000. Both the Vendor and UHL are limited liability companies incorporated in the BVI.

Mr. Wang, the ultimate shareholder of the Company, has equity interest of 62.89% of the Vendor and has control over the Vendor. On 17 March 2014, the Group entered into a supplemental agreement ("Supplemental SPA") with the Vendor and the Vendor's shareholders pursuant to which the consideration of the Acquisition has been revised to approximately HKD3,068,246,000. According to the Supplemental SPA, the total consideration of the Acquisition is satisfied by (i) cash consideration of HKD70,000,000 (equivalent to RMB55,595,000); (ii) HKD2,998,246,000 by procuring the Company to issue and allot to the Vendor's shareholders of a total 4,283,209,057 shares ("Consideration Shares") at an issue price of HKD0.70 per Consideration Share. During the year ended 31 March 2014, cash consideration of HKD70,000,000 (equivalent to RMB55,595,000) has been paid, which is deemed to be a distribution to shareholders.

The Acquisition was approved by the shareholders of the Company in a special general meeting held on 8 May 2014 and was completed on 16 May 2014.

Mr. Wang has obtained the control of the Company since the completion of mandatory unconditional cash offer on 3 January 2011 as stated in note 1, and on 11 January 2013, Mr. Wang obtained the control of the Vendor and UHL. As such, the Group and UHL are under common control of Mr. Wang. The Acquisition of UHL has been reflected in the consolidated financial statements using the principle of merger accounting, taking into consideration of the requirements under Accounting Guideline 5 "Merger Accounting for Common Control Combinations", as if they had been combined from the date when the combining entities first came under control of Mr. Wang.

The effects of the combination of the acquired companies on the financial position as at 31 March 2014 and the results and the cash flow of the Group for the year ended 31 March 2014 have been reflected in the consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, respectively, by restatement.

Going concerns

In preparing the consolidated financial statements, the directors of the Company have given careful considerations to the future liquidity of the Group in light of the fact that as at 31 March 2015, its current liabilities exceeded its current assets by approximately RMB335,672,000. Taking into account of (i) the internally generated funds, (ii) the available long term loan facilities of RMB500,000,000 with maturity up to June 2017; and (iii) RMB446,900,000 of the RMB500,000,000 facilities, which was utilised as at 31 March 2015 and included under the bank borrowings due within one year, can be extended to June 2017 pursuant to the relevant facilities documents, the directors of the Company are confident that the Group will be able to meet its financial obligations when they fall due in the foreseeable future and be able to operate on a going concern basis.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in current year:

Amendments to HKFRS 10, HKFRS 12 and Hong Kong Accounting Standard ("HKAS") 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) — Int 21	Levies

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and or on the disclosure set out in these consolidated financial statements.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to HKAS 1	Disclosure Initiative[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consideration Exceptions[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle[6]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle[5]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016
3 Effective for annual periods beginning on or after 1 January 2017
4 Effective for annual periods beginning on or after 1 July 2014
5 Effective for annual periods beginning on or after 1 January 2016
6 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate that the application of HKFRS 9 in the future may have a material impact on the amounts reported and disclosures made in the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 9 until the Group performs a detailed review.

Annual Improvements to HKFRSs 2010–2012 Cycle

The Annual Improvements to HKFRSs 2010–2012 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The directors of the Company do not anticipate that the application of these amendments will have a material effect on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2011–2013 Cycle

The Annual Improvements to HKFRSs 2011–2013 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and

(b) the transaction meets the definition of a business combination under HKFRS 3.

The directors of the Company do not anticipate that the application of these amendments will have a material effect on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2012–2014 Cycle

The Annual Improvements to HKFRSs 2012–2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments apply prospectively.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets and clarify that the offsetting disclosures (introduced in the amendments to HKFRS 7 Disclosure — Offsetting Financial Assets and Financial Liabilities issued in December 2011 and effective for periods beginning on or after 1 January 2013) are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with HKAS 34 Interim Financial Reporting.

The amendments to HKAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in retained earnings at the beginning of that period.

The amendments to HKAS 34 clarify the requirements relating to information required by HKAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of a cross-reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The directors of the Company do not anticipate that the application of these will have a material effect on the Group's consolidated financial statements.

HKFRS 15 Revenue from Contracts with Customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

4. SEGMENT INFORMATION

The Group is organised into business units based on the types of customers and methods used to distribute their products and provide their services, based on which information is prepared and reported to the chief operating decision maker, the directors of the Company, for the purposes of resource allocation and assessment of performance. The accounting policies of the reportable segments are the same as the Group's accounting policies. The Group's operating and reportable segments under HKFRS 8 *Operating segments* are as follows:

Production and sales of LNG	Wholesale of LNG
Oil and gas transactions	Entering into oil and gas sales and purchase contracts
Other operations	Vehicle gas refuelling stations, sales of piped gas, LNG transportation and construction of gas pipeline infrastructure

Segment turnover and results

Year ended 31 March 2015

	Production and sales of LNG *RMB'000*	**Oil and gas transactions** *RMB'000*	**Other operations** *RMB'000*	**Total** *RMB'000*
Segment turnover from external customers	**1,339,685**	**4,820,390**	**280,242**	**6,440,317**
Intra-segment turnover	**486,543**	**—**	**—**	**486,543**
Segment turnover	**1,826,228**	**4,820,390**	**280,242**	**6,926,860**
Elimination				**(486,543)**
Total turnover				**6,440,317**
Segment results	**66,515**	**9,353**	**14,805**	**90,673**
Interest income				**20,092**
Share of result of associates				**462**
Finance costs				**(70,562)**
Unallocated corporate expenses				**(11,247)**
Profit before tax				**29,418**

Year ended 31 March 2014 (restated)

	Production and sales of LNG *RMB'000*	Oil and gas transactions *RMB'000*	Other operations *RMB'000*	Total *RMB'000*
Segment turnover from external customers	1,843,309	7,895,071	253,016	9,991,396
Intra-segment turnover	303,010	—	—	303,010
Segment turnover	2,146,319	7,895,071	253,016	10,294,406
Elimination				(303,010)
Total turnover				9,991,396
Segment results	260,627	6,584	5,763	272,974
Interest income				12,766
Finance costs				(46,029)
Unallocated corporate expenses				(12,234)
Profit before tax				227,477

Segment assets and liabilities

Information of the operating segments of the Group reported to the chief operating decision maker for the purposes of resource allocation and performance assessment does not include any assets and liabilities. Accordingly, no segment assets and liabilities information are presented.

Other segment information

Other segment information included in the measurement of segment results and segment assets are as follow:

	Production and sales of LNG *RMB'000*	Oil and gas transactions *RMB'000*	Other operations *RMB'000*	Total *RMB'000*
For the year ended 31 March 2015				
Additions to non-current assets	**16,368**	**—**	**45,562**	**61,930**
Depreciation of property, plant and equipment	**49,731**	**103**	**13,357**	**63,191**
Amortisation of intangible asset	**—**	**—**	**393**	**393**
Amortisation of prepaid lease payments	**1,131**	**—**	**272**	**1,403**
Loss on disposal of property, plant and equipment	**164**	**—**	**—**	**164**
For the year ended 31 March 2014 (restated)				
Additions to non-current assets	19,221	163	47,186	66,570
Depreciation of property, plant and equipment	49,263	88	12,366	61,717
Amortisation of intangible asset	—	—	393	393
Amortisation of prepaid lease payments	1,047	—	392	1,439
Loss on disposal of property, plant and equipment	11	—	—	11

Geographical information

The following table provides an analysis of the Group's segment turnover by geographical location of customers irrespective of the origin of the goods delivered or services rendered and the Group's non-current assets by geographical location of the assets:

	Turnover							
	Production and sales of LNG		Oil and gas transactions		Other operations		Non-current assets*	
	2015 *RMB'000*	2014 *RMB'000* (restated)	**2015** *RMB'000*	2014 *RMB'000* (restated)	**2015** *RMB'000*	2014 *RMB'000* (restated)	**2015** *RMB'000*	2014 *RMB'000* (restated)
The PRC, other than Hong Kong	**1,339,685**	1,843,309	**333,069**	633,858	**280,242**	253,016	**1,023,237**	1,026,125
Singapore	**—**	—	**3,244,960**	4,530,290	**—**	—	**—**	—
Hong Kong	**—**	—	**906,516**	112,220	**—**	—	**315**	419
Korea	**—**	—	**335,845**	—	**—**	—	**—**	—
Malaysia	**—**	—	**—**	2,179,727	**—**	—	**—**	—
Philippines	**—**	—	**—**	438,976	**—**	—	**—**	—
	1,339,685	1,843,309	**4,820,390**	7,895,071	**280,242**	253,016	**1,023,552**	1,026,544

* *Non-current assets exclude amount due from a non-controlling equity owner of subsidiaries, long-term receivable and deferred tax assets.*

Information about major customers

Production and sales of LNG and Other operations

Turnover arose from customers represents more than 10% of the total segment turnover from production and sales of LNG and other operations are as follows:

	2015	2014
	RMB'000	*RMB'000*
		(restated)
Customer A	**489,434**	240,988
Customer B	**222,906**	N/A *(note)*
Customer C	**202,814**	208,536
Customer D	**N/A** *(note)*	295,628
Customer E	**N/A** *(note)*	210,834
	915,154	955,986

Oil and gas transactions

Turnover arose from customers represents more than 10% of the total segment turnover from oil and gas transactions are as follows:

	2015	2014
	RMB'000	*RMB'000*
		(restated)
Customer F	**2,920,220**	871,524
Customer G	**633,705**	N/A *(note)*
Customer H	**540,147**	N/A *(note)*
Customer I	**N/A** *(note)*	2,205,980
Customer J and its subsidiaries	**N/A** *(note)*	3,485,346
	4,094,072	6,562,850

Note: The corresponding turnover did not contribute over 10% of the total segment turnover of the relevant segment.

5. OTHER INCOME

	2015 *RMB'000*	2014 *RMB'000* (restated)
Interest income from		
— banks	**11,241**	6,509
— a non-controlling equity owner of subsidiaries	**2,611**	2,611
— long-term receivable	**3,936**	3,646
— a related party	**2,304**	—
	20,092	12,766
Others	**2,627**	4,015
	22,719	16,781

6. OTHER GAINS AND LOSSES

	2015 *RMB'000*	2014 *RMB'000* (restated)
Loss on disposal of property, plant and equipment	**(164)**	(11)
Net foreign exchange gain (loss)	**564**	(984)
	400	(995)

7. FINANCE COSTS

	2015 *RMB'000*	2014 *RMB'000* (restated)
Interest on bank and other borrowings		
— wholly repayable within five years	**67,365**	43,606
— not wholly repayable within five years	**2,782**	2,072
Interest on amount due to a related party	**—**	2,128
Finance leases	**1,337**	1,956
Total interest charges	**71,484**	49,762
Less: Amount capitalised in construction in progress *(note)*	**922**	3,733
	70,562	46,029

Note: The borrowing costs have been capitalised at rate of 6.6% and 6.0% for the year ended 31 March 2015 and 2014, respectively.

8. INCOME TAX CREDIT (EXPENSE)

	2015 *RMB'000*	2014 *RMB'000* (restated)
The credit (charge) comprises:		
Hong Kong Profits Tax		
— Current year	**(155)**	(184)
PRC Enterprise Income Tax ("EIT")		
— Current year	**(10,823)**	(54,288)
— Overprovision in prior years	**13,176**	—
	2,353	(54,288)
Deferred taxation		
— Current year	**(2,418)**	(4,818)
— Effect of change in tax rate	**3,347**	—
	929	(4,818)
	3,127	(59,290)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

PRC EIT has been provided at the applicable income tax rate of 25% on the assessable profits of the companies comprising the Group during the years, except for certain subsidiaries of the Group, namely 鄂尔多斯市星星能源有限公司 ("Xingxing Energy"), 達州市滙鑫能源有限公司 ("Huixin Energy") and 貴州華亨能源投資有限公司 ("Huaheng Energy") which are taxed at concessionary rate in certain years.

During certain years as set out below, the applicable PRC EIT concessionary rate for Xingxing Energy, Huixin Energy and Huaheng Energy is 15%, which are under the preferential tax treatment that given to companies established in the western regions in the PRC and derived at least 70% of their total income from their main business in oil and gas industry which falling within the list of encouraged industries specified by the PRC government.

During the year ended 31 March 2014, the applicable income tax rate of Xingxing Energy was 25%. During the year ended 31 March 2015, Xingxing Energy obtained the approval from the local tax authority and is eligible to the reduced 15% enterprise income tax rate on its assessable profits earned from 2013 to 2020. As such, an overprovision of PRC EIT of RMB13,176,000 arisen from the effect of difference between concessionary rate of 15% and statutory rate of 25% applied on assessable profits for the year ended 31 March 2014 was credited to profit or loss.

Huixin Energy was registered with the local tax authority to be eligible to the reduced 15% enterprise income tax rate from 2012 to 2020. Accordingly, Huixin Energy is eligible for the EIT of 15% (2014: 15%).

Huaheng Energy was entitled to a 15% preferential rate from since its establishment on 24 June 2011 with no definite period and subject to annual review and approval of local tax authority.

9. PROFIT FOR THE YEAR

	2015 *RMB'000*	2014 *RMB'000* (restated)
Profit for the year has been arrived at after charging:		
Auditors' remuneration	**2,129**	1,031
Amortisation of intangible assets	**393**	393
Amortisation of prepaid lease payments	**1,403**	1,439
Cost of inventories recognised as an expense	**1,397,167**	1,656,551
Depreciation of property, plant and equipment	**63,191**	61,717
Directors' emoluments	**3,265**	1,568
Operating lease payment in respect of office premises	**2,035**	1,324
Salaries and other benefits	**47,997**	45,437
Retirement benefits contributions	**4,829**	4,473
Total staff costs (excluding directors' emoluments)	**52,826**	49,910
Loss on disposal of property, plant and equipment	**164**	11

10. EARNINGS PER SHARE

The weighted average number of shares used for the purpose of calculating basic earnings per share for the both years has been adjusted as if the Consideration Shares (as defined in note 2) was issued at 1 April 2013, on the basis that the consolidated financial statements are prepared as if the UHL and its subsidiaries ("UHL Group") had been combined from the date when UHL Group first came under the control of the common controlling party of the Company and UHL Group (note 2).

The calculation of the basic earnings per share for the year is based on the profit attributable to equity holders of the Company of approximately RMB19,251,000 (2014 (restated): RMB129,359,000) and the weighted average number of 5,302,801,915 (2014 (restated): 5,302,801,915) ordinary shares in issue during the year.

Diluted earnings per share is not presented as the Company does not have any potential ordinary shares during the years ended 31 March 2015 and 2014.

11. TRADE AND OTHER RECEIVABLES

	2015 *RMB'000*	2014 *RMB'000* (restated)
Trade receivables	**510,477**	1,482,908
Bills receivables	**6,747**	138,951
Other receivables	**20,892**	14,250
Prepayments	**479,512**	277,274
Short term advances *(note)*	**—**	22,000
	1,017,628	1,935,383

Note: The balance as at 31 March 2014 represented the short-term advances to a former equity owner of subsidiaries which was unsecured and interest-free. The amount was settled during the year and details of which are described in note 12.

The Group generally requires prepayments made by customers before delivery of goods or provision of services, except for certain customers to which the Group allows an average credit period of 30 to 90 days. The Group also allow customers to settle the trade receivables before the end of credit period or to make prepayments to the Group by bills receivables.

Trade receivables arisen from oil and gas sales contracts which are settled either by letter of credit or bills issued by banks with high credit-ratings assigned by international credit- rating agencies and are receivable with an average credit period ranging from seven days to six months after the date of delivery of commodity to customers or by telegraphic transfer.

The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the revenue recognition date:

	2015	2014
	RMB'000	*RMB'000*
		(restated)
Within 30 days	**55,578**	121,726
31–90 days	**249,857**	1,361,131
91–180 days	**201,104**	—
Over 180 days	**3,938**	51
	510,477	1,482,908

The following is an aged analysis of bills receivables based on the date of receipt of bills:

	2015	2014
	RMB'000	*RMB'000*
		(restated)
Within three months	**6,747**	136,651
Three months to six months	**—**	2,300
	6,747	138,951

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. The directors of the Company are of the opinion that the credit quality of the trade receivable balances that are neither past due nor impaired as at the end of the reporting period is good as the repayment history of the debtors is satisfactory.

Included in the Group's trade receivable balances are debtors with aggregate carrying amount of approximately RMB197,873,000 (2014: RMB250,000) which are past due at 31 March 2015 and 2014, respectively, for which the Group has not provided for impairment loss as the management considered the amounts are still recoverable. The Group does not hold any collateral over these balances. The amount was fully settled as at this announcement date.

The ageing analysis of trade receivables which are past due but not impaired are as follows:

	2015	2014
	RMB'000	*RMB'000*
		(restated)
31–180 days	**197,691**	199
Over 180 days	**182**	51
	197,873	250

All trade receivables are assessed not to be impaired individually and they are further assessed for impairment on a collective basis. No impairment has been recognised on trade receivables during the year. The Group does not hold any collateral over these balances.

No impairment has been recognised on other receivables during the year. The directors of the Company are of the opinion that the other receivables are not impaired as the amounts mainly represent value-added tax recoverable and advances to staff which were fully settled subsequent to the end of the reporting period.

12. TRADE AND OTHER PAYABLES

	2015	2014
	RMB'000	*RMB'000*
		(restated)
Trade payables	**334,737**	1,362,585
Bills payables	**605,700**	392,256
Other payables	**42,314**	289,148
Other tax payables	**10,840**	25,320
Consideration payable *(note)*	**—**	47,000
Receipts in advance	**95,825**	40,563
Payroll payables	**1,466**	1,358
Compensation payable	**10,442**	10,442
	1,101,324	2,168,672

Note: The amount in prior year represented consideration payable to a former equity owner of subsidiaries regarding the acquisition of 39% of the equity interest in those subsidiaries. The amount was unsecured and interest-free. During the year, the Group has entered into a settlement agreement with the former equity owner of subsidiaries whereby the consideration payable were set-off against the amounts due from the former equity owner of subsidiaries as included in trade and other receivables (note 11) and long-term receivable.

Trade payables arisen from oil and gas purchase contracts which are granted by suppliers with an average credit period ranging from seven days to six months after the bills of lading date of delivery, and trade payables arisen from production and sales of LNG which are granted by suppliers with an average credit period ranging from 30 days to 90 days after the bills of lading date of delivery.

Besides, certain suppliers will also require to have prepayments received before the supply of materials. The Group will arrange for certain of its prepayments or settlement of trade payable by bills payables.

The following is an aged analysis of trade payables presented, based on the invoice date, at the end of the reporting period:

	2015	2014
	RMB'000	*RMB'000*
		(restated)
Within 90 days	**315,504**	1,342,855
91–180 days	**9,418**	8,844
181–365 days	**711**	1,107
Over 1 year	**9,104**	9,779
	334,737	1,362,585

The following is an aged analysis of bills payables based on the date of issue of bills:

	2015	2014
	RMB'000	*RMB'000*
		(restated)
Within three months	**371,500**	253,556
Three months to six months	**234,200**	138,700
	605,700	392,256

13. EVENT AFTER BALANCE SHEET DATE

On 21 April 2015, two subsidiaries of the Company entered into an agreement with Guizhou Gas and 貴州金橋忠信投資有限公司 ("Guizhou Jinqiao Zhongxin Investments Limited") ("Agreement") to acquire an aggregate 50% equity interests of Guizhou Gas (Group) Xishui Jinqiao Gas Co., Limited ("Guizhou Xishui"). The total consideration for the acquisition of the Group's 50% interest in Guizhou Xishui is RMB36,735,000 which include cash and share consideration, in which RMB36,000,000 shall be paid to Guizhou Jinqiao Zhongxin Investments Limited for 49% interest of Guizhou Xishui and RMB735,000 shall be paid to Guizhou Gas for 1% interest of Guizhou Xishui. The considerations shall be payable by stages. A total of 34,102,724 shares of the Company will be issued to Guizhou Jinqiao Zhongxin Investments Limited at HKD0.60 each and in accordance to the term of the Agreement. The transaction has not yet completed as at this announcement date.

DIVIDEND

The Board of Directors did not recommend the payment of a final dividend for year ended 31 March 2015 (2014: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS OF THE GROUP FINANCIAL REVIEW

BUSINESS REVIEW

Group results

Since the completion of acquisition of UHL Group by the Group, the Group's comparative figures for the year ended 31 March 2014 are to be restated, in accordance with the requirements under Accounting Guideline 5 "Merger Accounting for Common Control Combinations", to include the operating results of the UHL Group as if the current group structure had been in existence throughout the year ended 31 March 2014 (the "Restated 2014 Comparative Figures").

Since September 2014, the Board resolved to discontinue the EMS Business. At present, the Group is involved in (i) trading of oil and gas products and the provision of related consultancy services; and (ii) processing, distribution, sales, trading and transportation of LNG and other auxiliary operations and networks in the PRC.

For the year ended 31 March 2015, the Group recorded consolidated turnover of approximately RMB6,440 million (Restated 2014 Comparative Figures: approximately RMB9,991 million) with profit after tax of approximately RMB33 million (Restated 2014 Comparative Figures: approximately RMB168 million). The Group's performance for the year ended 31 March 2015 were contributed mainly by the production and sales of LNG and the trading of oil and gas business.

The decrease in the operating profit for the year ended 31 March 2015 against the Restated 2014 Comparative Figures is principally attributable to (1) increased in gas price at the gate gas stations for non-household usage by the PRC government during the relevant financial year, resulted in approximately 21% to 27% increase in cost of gas supply of the Group's two LNG processing plants and lower gross margin; (2) unexpected force majure factors, such as the replacement of gas sources by upstream supplier and increased in inventories due to road blocks under heavy snow weather, resulted temporary suspension in production of the respective LNG processing plants in end 2014 and February 2015 for period of approximately one month; (3) the adverse impact from the fall of the international oil and natural gas prices on the PRC LNG market, resulted LNG having less economic advantage in the PRC and immense competition among the LNG producers. The Group, in this regard, not only faced vast challenges in cost transferring but also threat on lower sales revenue from its LNG processing plants.

Change of Company name

On 19 May 2014, the Company changed its English name from "Ngai Lik Industrial Holdings Limited" to "Yuan Heng Gas Holdings Limited" and adopted and registered the Chinese name "元亨燃氣控股有限公司" as its secondary name, in reflection of its plan to focus the Group's business in the energy industry, in particular, the sector relating to natural gas.

Production and sales of LNG

During the year, the Group produced approximately 471,015,000 cubic meters of LNG, representing a decrease of approximately 5,797,000 cubic meters or 1.2% compared with the last year. The turnover from the sales of LNG business for the year ended 31 March 2015 was approximately RMB1,340 million, representing a decrease of approximately RMB504 million or 27.3% compared with the last year, contributing approximately 20.8% of the total turnover of the Group. Gross profit however, decreased by approximately RMB213 million to approximately RMB159 million (Restated 2014 Comparative Figures: approximately RMB372 million), with gross profit margin fell from approximately 20.2% to approximately 11.9%. The squeeze in the gross profit margin was predominantly due to an increase of purchase price of natural gas in the PRC, and at the same time sales price decreased with increased competition in the PRC LNG industry. Notwithstanding, the management will continue to seek and implement measures to maintain the profitability.

Oil and gas transactions

During the year, the gross amounts of oil and gas transactions decreased to approximately RMB4,820 million from approximately RMB7,895 million, representing a decrease of approximately RMB3,075 million or 38.9% from the year ended 31 March 2014. The decrease in turnover was mainly due to global oil prices dropping. Gross profit however, increased to approximately RMB8.8 million from approximately RMB6.6 million, with gross profit margin increased from approximately 0.08% to approximately 0.18%.

Given the volatility of oil prices and the nature of the oil trading contracts, the management will continue to adopt cautionary steps while seeking profitable trading opportunities.

Prospect

The Group, with the successful acquisition of the UHL Group, has positioned itself as a provider of clean energy, with focus on LNG and natural gas. As one of the prominent LNG producers in the PRC, the Group has extended efforts in expanding its distribution and sales network as well as participated in strategic pipeline projects in the PRC. Since 2013, the Group, through 貴州華元投資有限公司 Guizhou Huayuan Investments Co., Ltd*, has been collaborating with local state owned enterprises to establish 貴州燃氣(集團)天然氣支綫管道有限公司 Guizhou Gas (Group) Natural Gas Pipelines Co., Ltd* ("Guizhou Gas Pipelines") and expanded its footage into the operation, construction and management of pipelined gas in the Guizhou Province. At present, the pipelines are expected to meet natural gas demand of at least 90% of the Guizhou Province, connecting Guiyang, the China- Myanmar pipeline (中緬綫) and the Zhongwei pipeline (中衛綫). During the period, Guizhou Gas Pipelines has successfully completed the development and construction of the phase 1 of the pipelines and commenced the supply of natural gas between Zunyi (遵義) and Renhuai (仁懷).

In April 2015, the Group enters into a sale and purchase agreement for the acquisition of Guizhou Gas (Group) Xishui Jinqiao Gas Co., Limited ("Guizhou Xishui"), which is expected to create synergies with Guizhou Huaheng Energy Investments Co., Ltd ("Huaheng Energy"), an indirect non-wholly owned subsidiary of the Group, and enables the Group to further capture the market share and penetrate into the white wine markets along the Guizhou Chishui River region.

The Group will continue to leverage on its solid foundation to expand its sales and distribution channels through forming strategic alliances with established industry players/business partners.

* *for identification purpose only*

Looking forward, the Group aims to become a leading sustainable clean energy producer, supplier and service provider in the PRC, and will continue to develop its businesses in natural gas sector and to explore new business opportunities in order to create value for its shareholders.

FINANCIAL REVIEW

The Group's operating results for the year ended 31 March 2015 were primarily contributed by the production and sales of LNG and oil and gas transactions. As a result of the Combination and the merger accounting treatment as explained above, the comparative figures for ended 31 March 2014 have been restated to include results of the UHL Group for the same period.

Turnover

The Group's turnover for the year ended 31 March 2015 was approximately RMB6,440 million (Restated 2014 Comparative Figure: approximately RMB9,991 million). The drop in turnover was mainly attributable to the decline in the oil trading business which reported a turnover of approximately RMB4,820 million during the year ended 31 March 2015 (Restated 2014 Comparative Figures: approximately RMB7,895 million).

Gross Profit

Gross profit for the year ended 31 March 2015 was approximately RMB190 million (Restated 2014 Comparative Figure: approximately RMB397 million. The decrease in gross profit was primarily due to higher production cost for the production and sales of LNG business. Accordingly, the Group's gross profit margin for the year ended 31 March 2015 decreased from approximately 4% (Restated 2014 Comparative Figure) to approximately 3%.

Distribution and Selling Expenses

Distribution and selling expenses decreased from approximately RMB59 million for the year ended 31 March 2014 to approximately RMB26 million for the year ended 31 March 2015. The decrease in distribution and selling expenses were in line with the decrease in revenue from the production and sales of LNG business, and at the same time the Group try to minimize the distribution cost by passing those cost to customers.

Administrative Expenses

The Group's administrative expenses for the year ended 31 March 2015 amounted to approximately RMB88 million, representing an increase of approximately 9.5% as compared to the previous year. The increase was due to unexpected temporary suspension in production of the LNG processing plants in end 2014 and February 2015 which lead to increase in repair and maintenance fee. Moreover, related production costs (i.e. salary and depreciation etc.) were treated as administrative expenses during the suspension period.

Finance Costs

The Group incurred finance costs of approximately RMB71 million during the year ended 31 March 2015 (Restated 2014 Comparative Figures: approximately RMB46 million), representing an increase of approximately 54.3%. The increase was mainly due to the increase in short-term trade finance used for sales of LNG business during the year. Moreover, part of finance costs related to construction of pipelines were ceased to be capitalized followed by the completion of the construction.

Income Tax Credit/Expenses.

The Group is subjected to taxes in Hong Kong and the PRC due to its business operations in these jurisdictions. For the year ended 31 March 2015, income tax credit of the Group approximately RMB3 million (Restated 2014 Comparative Figures: expenses of approximately RMB59 million).

The decrease in the tax expenses was due to the decrease in profit before taxation. Moreover, the decrease is also due to the preferential tax treatment of reducing enterprise income tax rate effected in this year and retrospectively adopted for prior years' profit.

Liquidity, Financial Resources and Capital Structure

As at 31 March 2015, the Group maintained bank balances and cash of approximately RMB26 million (Restated as at 31 March 2014: approximately RMB322 million).

The net current liabilities of the Group as at 31 March 2015 were approximately RMB336 million (Restated as at 31 March 2014: approximately RMB393 million). The current ratio was approximately 0.82 (Restated as at 31 March 2014: approximately 0.87).

Notwithstanding the net current liabilities of the Group at 31 March 2015, the management are confident that the Group would have adequate funds to meet its obligation, as and when they fall due, having regard to the following:

(i) the Group has a facility amounting to approximately RMB500 million that can be extended to June 2017 pursuant to the relevant facilities documents; and

(ii) the Group expects to generate positive operating cash flows.

The Group will further improve its financial position in order to improve liquidity and cash flows by implementing a number of measures, including but not limited to, raising further medium to long term banking facilities and rolling over short term banking facilities to medium term when they fall due.

As at 31 March 2015, the Group had borrowings of approximately RMB649 million which are due within one year and approximately RMB51 million which are repayable after one year.

The gearing ratio, which is debt-to-equity ratio, of the Group was approximately 0.98 as at 31 March 2015 compared to approximately 1.16 as at 31 March 2014.

During the year, the Company issued and allotted 4,283,209,057 ordinary shares at HKD0.7 each as consideration shares paid for the acquisition of the UHL Group and accordingly the issued share capital of the Company has been enlarged from 1,019,592,858 ordinary shares to 5,302,801,915 ordinary shares.

Capital Expenditure on Property, Plant and Equipment

Capital expenditure for purchase of property, plant and equipment amounted to approximately RMB62 million (Restated 2014 Comparative Figures: approximately RMB67 million) for the year ended 31 March 2015.

Pledge of Assets

As at 31 March 2015, the Group had pledged assets in an aggregate amount of approximately RMB1,053 million (Restated as at 31 March 2014: approximately RMB1,084 million) to banks for banking facilities.

Capital Commitments

As at 31 March 2015, the Group had no material capital commitments.

Contingent liabilities

As at 31 March 2015, the Group had no material contingent liabilities.

Treasury Policy

The Group mainly operates in China with most of the transactions denominated and settled in RMB and US Dollar. The exposure of exchange fluctuation in respect of RMB and US Dollar could affect the Group's performance and asset value. However, there are no significant differences of the carrying amount of the monetary assets and liabilities which are denominated in US Dollar so the Group has not experienced any material difficulties and liquidity problems resulting from currency exchange fluctuations. The Group still monitors the overall currency exposures.

Employee Information

As at 31 March 2015, the Group had about 600 employees (Restated as at 31 March 2014: about 590). The remuneration packages are generally structured with reference to market conditions and individual qualifications. Salaries and wages of the Group's employees are normally reviewed on an annual basis based on performance appraisals and other relevant factors.

CORPORATE GOVERNANCE

The Company has complied with all the applicable code provisions set out in the Code on Corporate Governance Practices ("the CG Code") in Appendix 14 of the Listing Rules throughout the year ended 31 March 2015, except for the deviations discussed below.

Code provision A.2.1

Pursuant to A.2.1 of the Code, the roles of chairman and chief executive officer ("CEO") should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

Mr. Wang Jianqing ("Mr. Wang") is the chairman of the Company since 27 January 2011 and was appointed the CEO of the Company on 15 September 2011. The Board considers that Mr. Wang possesses the essential leadership skills to manage the Board and extensive knowledge in the business of the Group. The present structure is more suitable to the Company because it can promote the efficient formulation and implementation of the Company's strategies. Through the supervision of the Board and the audit committee, balance of power and authority can be ensured and there is no imminent need to change the arrangement.

Code provision F.1.2

Pursuant to F.1.2 of the Code, the appointment of the company secretary should be dealt with by a physical board meeting rather than a written resolution. The appointment of the current company secretary was dealt with by a written resolution in September 2013. The Board considers that, prior to the execution of the written resolution to appoint the current company secretary, all Directors were individually consulted on the matter without any dissenting opinion and there was no need to approve the matter by a physical board meeting instead of a written resolution.

AUDIT COMMITTEE

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 March 2015. The Audit Committee comprises three independent non-executive directors, namely, Dr. Leung Hoi Ming, Mr. Wong Chi Keung and Mr. Tom Xie.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of profit of loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2015 set out in the Preliminary Announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions (the "Model Code"). Having made specific enquiry of all directors of the Company, the directors of the Company have complied with the required standard set out in the Model Code throughout the year ended 31 March 2015.

DEALING IN COMPANY'S LISTED SECURITIES

During the year, there were no purchases, sale or redemption by the Company or any of its subsidiaries, of the Company's listed securities.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement of results is available for viewing on the website of Hong Kong Exchange and Clearings Limited at www.hkex.com.hk under "Latest Listed Company Information" and on the website at www.yuanhenggas.com. The annual report of the Company contained all the information required by the Listing Rules will be published on the above websites in due course.

By order of the Board
Wang Jianqing
Chairman and Chief Executive Officer

Hong Kong, 30 June 2015

As at the date of this announcement, the executive Directors are Mr. Wang Jianqing, Mr. Bao Jun and Mr. Zhou Jian; and the Independent non-executive Directors are Dr. Leung Hoi Ming, Mr. Wong Chi Keung and Mr. Tom Xie.